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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 003164

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TAGS: PREL MASS KDEM PHUM IN NP CH IS SF

SUBJECT: INDIA WAITING FOR ACTION FROM NEPAL'S KING

REF: A. NEW DELHI 0386

1B. NEW DELHI 2951

1C. KATHMANDU 844

Classified By: PolCouns Geoff Pyatt. Reasons 1.4 (B, D)

11. (C) Summary: India wants to see progress toward democracy on the ground, not just hear the right words, before resuming arms shipments to Nepal, MEA Joint Secretary (North) Ranjit Rae told PolCouns and Poloff on April 27. Dismissing media reports of a "U-turn in Indian policy" as "speculation," Rae reaffirmed the need for the GOI and USG to coordinate before making any major changes in their Nepal strategies, but admitted that there is pressure within the Indian system to resume military assistance to the RNA. Rae expressed interest in an exchange of views between US and Indian defense establishments on the military readiness of the RNA. End Summary.

What Happened in Jakarta

12. (C) Briefing PolCouns and Poloff on the April 22-23 Jakarta meetings of PM Manmohan Singh and Foreign Minister Natwar Singh with King Gyanendra, J/S Rae underlined that despite media reports of a resumption of arms supplies to the RNA, India is still looking for concrete actions from the King to demonstrate a commitment to multi-party democracy before it will relax the current suspension (Ref A). The King gave some "assurances" to the PM of this commitment, Rae said, including an understanding that the state of emergency would be lifted in most areas of the country. The King also asserted that there was no media censorship (sic), and that the RGON was moving toward release of all political prisoners. Rae noted that the GOI has been pressing for an end to the ban on Indian TV broadcasts in Nepal, along with other benchmarks.

13. (C) Rae reported that King Gyanendra gave his standard justification to the PM and the FM, explaining that the poor performance of the Deuba government against the Maoist threat left him no choice but to take power. More worrisome in the Joint Secretary's view was the minimal importance Gyanendra accorded to political parties. Recalling the King's recent comments in Time Magazine that "parties are merely a vehicle, and you can always change vehicles," (Ref C), Rae complained that Gyanendra seemed to be refuting India's emphasis on the two pillars of constitutional monarchy and multi-party democracy, suggesting instead that Nepal needed other pillars including anti-corruption measures and good governance.

Steps in the Wrong Direction

14. (C) Citing the arrests of former PM Deuba and other student leaders on April 26-27 as worrying steps in the wrong direction, Rae opined that it will be difficult to assess if any positive actions now are true progress, or merely piecemeal steps to please outsiders devoid of any real commitment to multi-party democracy. The J/S said India's next step is to wait for action in Nepal that demonstrates a "reasonable assurance of forward movement." Rae stressed that the GOI wants to see concrete developments on the ground, and "not to keep hearing reassurances" from the palace.

15. (C) Rae admitted that Deuba's arrest at the behest of a new anti-corruption commission set up following the February 1 dismissal of government posed a challenge to the GOI. India has been concerned that the new panel would prosecute members of the former Deuba government for political reasons, but the GOI also did not want to be seen trivializing the problem of corruption. Rae was uncertain whether the MEA would issue a statement of concern about Deuba's arrest, but was inclined in that direction.

Press Reports to the Contrary, Conditions Remain

16. (C) The Joint Secretary expressed amusement at media speculation about a GOI promise to resume arms supplies, commenting that the press is "always looking for a big story." He dismissed a "Times of India" account that the "arms pipeline" would be restored within ten days, and referred back to Manmohan Singh's formulation that the GOI

would consider resuming arms supplies "in the proper perspective," meaning after positive actions by the palace (see text of the PM's press appearance in Jakarta para 11).

**17.** (C) Rae admitted frankly that the GOI has not decided what benchmarks would be sufficient to resume the supply of Indian military assistance. He said he was personally pessimistic that the King would be willing to restore multi-party democracy, and that it was most important to keep up pressure on him until this goal was fully achieved. Short of this, he speculated, the King would be willing to do many things to get the arms supply restored, but might use future assurances to avoid restoration of democracy. He conceded, however, that there was pressure from other parts of the Indian government, notably the military, to resume assistance early. These debates will have to work themselves out within the GOI, Rae added.

Military Situation of the RNA Uncertain

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**18.** (C) Rae repeated his assessment shared with A/S Rocca (Ref B) that the Maoists were militarily incapable of taking and holding ground or defeating the RNA, but was unsure about the status of RNA supplies. Commenting that the truth must lie somewhere between expressions of anxiety over tight supplies made by the RNA to the Indian Army and the confident official statements of the RNA's progress against the Maoists, the J/S expressed interest in a USG assessment of the RNA's capabilities and supplies. He appreciated Polcouns's suggestion that US and Indian military experts exchange views on the military situation in Nepal.

**19.** (C) Asked about Gyanendra's visit to the Baoa Forum in China, Rae said it was unlikely that China would step in to provide arms to Nepal. He noted that A/S Rocca had indicated US attention to this issue. However, the J/S expressed concern over possible military supplies from Israel and South Africa, despite official assurances from the Embassies of both countries in New Delhi that they would not provide arms.

Comment

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**10.** (C) Although Rae's statements confirm our earlier reporting that no fundamental shift has occurred in GOI conditionalities for resuming military assistance to Nepal (Ref A), his admission of the pressure from the Indian Army to resume arms supplies and the unnamed sources quoted in media reports who speak favorably of an early resumption highlight the debate taking place within government circles over how much pressure to put on the King over democracy, and how badly the RNA needs supplies. Rae emphasized that a decision to resume arms supplies should be based on a political calculation, not an assessment of the military balance. However, he conceded that India's hang-tough approach rests on an assumption that the Maoists are not in a position to threaten RNA control. An exchange of assessments between our respective defense intelligence agencies might be useful for accurately gauging how much threat the Maoists pose to the RNA and the need for outside military assistance to preserve Army readiness. End Comment.

Transcript of Prime Minister Singh's Comments on April 23

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**11.** (U) The following transcript was provided by the MEA.

Questions (inaudible): On meeting with HM the King of Nepal.

I met His Majesty the King, he had asked for a meeting and being our close neighbour, a country with which we have standing civilisational ties, very intimate relations, I did agree to meet His Majesty. He gave me an account of circumstances, compulsions in which he had to take action, which he did take. I explained to him that as a close neighbour and friend of Nepal, a country with which we have a unique relationship, we have always regarded constitutional monarchy and multi-party democracy as the twin pillars of the Nepalese polity, and in the light of developments in recent months our concern has been this recognition that these two twin pillars must work together in harmony. We discussed the situation and his perspective on the evolving situation. I did suggest to him that it is important to take effective measures to restart the political process and to work out a road map for this purpose. His Majesty was quite sensitive to these concerns, and therefore, on the whole I think the meeting was constructive in terms of its outcome.

Q: What about military supplies?

His Majesty raised that issue with me and I said we will look at these things in proper perspective.

BLAKE